

C1557**1001682****OIL, GAS AND MINERAL LEASE
AND SUB-SURFACE SERVITUDE FILED AND RECORDED
BOSSIER PARISH, LA**Town Lot Lease & Servitude
Form 1 (Rev. 9-85)**200 AUG 26 A 11:09**

THIS AGREEMENT entered into effective as of the 27th day of July, 2010, by and between the party or parties who have signed this instrument, herein, called "LESSOR" for the purpose of the Oil, Gas and Mineral Lease herein granted, and, "GRANTOR" for the purpose of the Sub-Surface Servitude herein granted, (whether one or more) and EnCana Oil & Gas (USA) Inc. whose mailing address is 14001 N. Dallas Parkway, Suite 1100, Dallas, Texas 75240, hereinafter called "LESSEE," for the purpose of the Oil, Gas and Mineral Lease herein granted, and "GRANTEE" for the purpose of the Sub-Surface Servitude herein granted.

The undersigned are the owners of lots, or portions of lots, set out hereinbelow beneath their respective signatures, or interests in such lots, lying within certain subdivision or subdivisions located in the Town of Bossier City, Parish of Bossier, State of Louisiana, as follows:

**CLERK & EX-OFFICIO
RECORDER****REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION AND ADDENDUMS TO THIS LEASE.****OIL, GAS AND MINERAL LEASE**

This lease shall cover all lands owned by each Lessor in the above mentioned subdivision whether property or specifically described or not.

Each Lessor, in consideration of TEN AND NO/100 (\$10.00) DOLLARS, and other valuable consideration unto him paid by Lessee, the receipt and sufficiency of which are hereby acknowledged, hereby grants, leases and lets unto Lessee the exclusive right to use the land described below beneath the signature of such Lessor, for the exploration for and production of oil, gas, sulphur and all other minerals, together with the use of the sub-surface of said land for all purposes incident to the exploration for and production, ownership, possession and transportation of said minerals (either from said land or acreage pooled therewith), the right to dispose of salt water, and the rights of ingress and egress to and from said sub-surface at all times for such purposes, or for or in connection with similar operations on any other land in the same subdivision or subdivisions herein described, or in the vicinity thereof, including the right to remove from the sub-surface any property placed by Lessee therein and to draw and remove casing from wells drilled by Lessee under said land. It is provided, however, that Lessee shall not use the surface of any land herein leased without the written consent of the owner of such land.

This lease, without further evidence thereof, shall immediately attach to and affect any and all rights, titles and interests in the described land, including reversionary mineral rights, hereafter acquired by or inuring to Lessor and Lessor's successors and assigns.

Notwithstanding anything herein contained to the contrary, this lease agreement shall for all purposes hereof, be considered as a separate and independent lease contract between each undersigned Lessor, and Lessee, covering and affecting the property hereinafter described beneath such Lessor's signature, with the same effect as if each of said Lessors had executed a separate lease thereon, on the same terms and provisions embodied herein.

This lease shall be for a term of three (3) years from the date hereof (called "primary term") and so long thereafter as oil, gas or some other mineral is being produced from the land, or from land pooled therewith, or drilling or reworking operations are conducted, as hereinafter provided for; all subject to the following conditions and agreements.

1. For the consideration herein recited, this lease shall remain in full force and effect during the primary term, without any additional payment and without Lessee being required to conduct any operations on the land (either before or after the discovery of minerals), except to drill such wells as might be necessary to protect the land from drainage, as hereinafter provided for.

2. If, at the end of the primary term, any mineral is being produced from the land, or from land pooled therewith, then Lessee's rights shall thereafter be maintained in force and effect so long as oil, gas or some other mineral shall be produced in paying quantities, or so long as Lessee is carrying on operations with reasonable diligence for the production thereof from the leased premises or land pooled therewith; or, if at the end of said primary term Lessee is not producing minerals but is conducting or has conducted drilling or reworking operations on the land or on land pooled therewith, then Lessee's rights shall be maintained thereafter so long as Lessee carries on such drilling or reworking operations in the sense that not more than ninety (90) days shall elapse between the cessation of work on one well and the commencement of reworking operations or operations for the drilling of another, and upon the discovery of oil, gas or some other mineral in paying quantities, Lessee's rights shall be maintained so long thereafter as oil, gas or any other mineral is being produced or drilling or reworking operations are conducted either on this land or on acreage pooled therewith (or with any part thereof) all as herein provided for. If, after the primary term and after the discovery of oil, gas or other minerals in paying quantities, the production thereof should cease from any cause, this lease shall terminate unless the Lessee resumes or restores such production, or commences additional drilling or reworking operations within ninety (90) days thereafter and continues such operations with diligence without more than ninety (90) days elapsing between the cessation of work on one well and the commencement of reworking operations or operations for drilling of another until such production is restored. Lessee shall not be required to produce more than one mineral, if discovered to exist under the lands, the production of any one mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights.

3. Lessee, at its option, is hereby given the right and power without any further approval from Lessor, at any time and from time to time, to pool or combine the land or mineral interest covered by this lease, or any portion thereof, with other land, lease or leases and mineral interests in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly explore or develop or operate said premises so as to promote the conservation of oil, gas or other minerals in and under and that they may be produced from said premises or to prevent waste or to avoid the drilling of necessary wells or to comply with the spacing or unitization order of any Regulatory Body of the State of Louisiana or the United States having jurisdiction. The term "Regulatory Body" shall include any governmental officer, tribunal or group (civil or military) issuing orders governing the drilling of wells or the production of minerals. Such pooling shall be of adjacent tracts which will form a reasonably compact (but not necessarily contiguous) body of land for each unit, and the unit or units so created shall not exceed substantially forty (40) acres each for each well for oil exploration or production or substantially one hundred sixty (160) acres each for each well for gas and gas-condensate exploration or production unless a larger spacing pattern or larger drilling or production units (including a field or pool unit) shall have been fixed and established by an order of a Regulatory Body of the State of Louisiana or of the United States, in which event the unit or units shall be the same as fixed by said order. Lessee shall execute and file for record in the Conveyance Records of the Parish in which the land herein leased is situated a declaration describing the pooled acreage; and upon such filing, the unit or units shall thereby become effective, except that when a unit is created by order of a Regulatory Body the pooling shall be effective as of the effective date of such order, and no declaration shall be required in connection therewith. The royalties herein elsewhere specified, and subject to the provisions of Paragraph 9 hereof, shall be computed only on the proportionate part of the production from any pooled unit that is allocated to the land herein described; and unless otherwise allocated by order of a Regulatory Body, the amount of production to be so allocated from each pooled unit shall be that proportion of such total production that the surface area of the land affected hereby and included in the unit bears to the total surface area of all the lands included in such pooled unit. Drilling or reworking operations on or production of oil, gas or other minerals from land included in such pooled unit shall have the effect of continuing this lease in force and effect after the primary term as to all of the land covered hereby (including any portion of said land not included in said unit) and as to all strata underlying said land, whether or not such operations be on or such production be from land covered hereby. Any unit formed by Lessee hereunder may be created either prior to or during or after the drilling of the well which is then or thereafter becomes the unit well. Separate units may be created for oil and for gas, or for separate stratum or strata of oil or gas, even though the areas thereof overlap, and the creation of a unit as to one mineral or strata or stratum shall not exhaust the right of Lessee (even as to the same well) to create different or additional units for other minerals or for other strata or stratum of the same or other minerals. The failure of the leasehold title (in whole or in part) to any tract or interest therein included in a pooled unit shall not affect the validity of said unit as to the tracts or interests not subject to such failure, but the unit may thereafter be revised as hereinafter provided. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any interest or lease to which title has failed or upon which there is or may be an adverse claim. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the Parish where the lands herein leased are situated. The revised declaration shall not be retroactive but shall be effective as of the date that it is filed for record. Any unit created by Lessee hereunder shall also be revised so as to conform with an order of a Regulatory Body issued after said unit was originally established; such revision shall be effective as of the effective date of such order without further declaration by Lessee, but such revision shall be limited to the stratum or strata covered by said order and shall not otherwise affect the unit originally created.

4. In the event that any well on the land or on property pooled therewith (or with any part thereof) is capable of producing gas or gaseous substances in paying quantities, but which Lessee is unable to produce (or which although previously produced, Lessee is unable to continue to produce) because of lack of market or marketing facilities or governmental restrictions, then Lessee's rights may be maintained beyond or after the primary term, in the absence of production or drilling or reworking operations, by paying Lessor Five Thousand and No/100 (\$5,000.00) Dollars per acre, for all or that part of the land which Lessee elects to continue to hold hereunder, the first payment to be due on or before the expiration of ninety (90) days from the completion of such well or the cessation of production; and shall extend Lessee's rights from the date of such completion or cessation; but if said ninety (90) days should expire prior to the expiration of the primary term, no such payment shall be due until on or before the expiration date of the primary term. Such payment will maintain Lessee's rights for one year from such due date of the first payment, and thereafter Lessee's rights may be continued from year to year by making annual payments in the amount stated on or before the anniversary date of the date on which the first such payment was due, as provided above; each of such payments to extend Lessee's rights for one year from such anniversary date. It is provided, however, that in no event shall Lessee's rights be so extended by annual payments herein fixed and without drilling or reworking operations or production of oil, gas or some other mineral for more than five consecutive years. The annual payments herein provided for may be made to each Lessor or may be mailed or delivered for deposit to his credit in the depository bank set forth below his signature, which bank or its successor shall continue to be the depository for such payments as the representative of Lessor, and Lessor's successors and assigns; and the death or incapacity of Lessor shall not terminate or affect Lessee's right to continue to deposit all payments in said depository bank or its successors. The mailing of the check or draft of Lessee or Lessee's successors to Lessor at the address hereinafter set forth or to the said depository bank on or before the payment date shall operate to maintain Lessee's rights in force and effect. Should said depository bank fail or liquidate, or if it should for any reason fail or refuse to accept Lessee's check or draft, the attempted payment in the manner above provided shall not be thereby rendered ineffective, and Lessee shall not be in default for failure to make such payment until thirty (30) days after Lessor shall have furnished Lessee with a recordable instrument naming a new depository; and this provision apply to all such new and subsequently named depositories.

5. If, prior to or after discovery of oil and gas on the lands held hereunder, a well producing oil and gas in paying quantities for thirty (30) consecutive days is brought in on adjacent lands not owned by the Lessor and not forming a pooled unit containing a portion of the lands described herein and within 330 feet of any line of the land held hereunder, Lessee, in order to maintain the rights granted, shall thereafter begin and prosecute with reasonable diligence either the drilling of a well in an effort to discover oil or gas thereby and to protect the land held hereunder from drainage, or efforts to protect the land held hereunder from drainage by seeking forced unitization with such well.

Lessee may, at any time prior to or after the discovery and production of minerals on the land, execute and deliver to Lessor or place of record a release or releases of any portion or portions of the lands and be relieved of all requirements hereof as to the area surrendered. In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain around each well then producing oil, gas or other minerals or being drilled or worked on the number of acres fixed and located by the spacing or unit order of any Regulatory Body of the State of Louisiana or of the United States under which said well is being drilled or produced, or if said well has been or is being drilled on a unit pooled by Lessee as provided herein, then Lessee may retain all of the acreage comprising said pooled unit; and if no spacing order has been issued nor any pooled unit established, then Lessee shall have the right to retain forty (40) acres surrounding each well then producing or being drilled or worked on, such forty (40) acres to be in as near a square form as is practicable.

6. Subject to the provisions of Paragraphs 3 and 9 hereof the royalties to be paid by Lessee are: (a) on oil (which includes condensate and other liquid hydrocarbons when separated by lease separator units), one-fourth (1/4) of that produced and saved from the land and not used for fuel in conducting operations on the property (or on acreage pooled therewith or with any part thereof), or in treating such liquids to make them marketable; (b) on gas, one-fourth (1/4) of the market value at the well of the gas used by Lessee in operations not connected with the land leased or any pooled unit containing all or a part of said land; the royalty on gas sold by Lessee to be one-fourth (1/4) of the amount realized at the well from such sales; (c) one-fourth (1/4) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas on components thereof used in lease or unit operations, or injected into sub-surface strata as hereinafter provided; (d) One Dollar (\$1.00) for each ton of 2240 pounds of sulphur, payable when marketed; and (e) one-fourth (1/4) of the market value at the well or mine of all other minerals produced and saved or mined and marketed. Oil royalties shall be delivered to Lessor free of expense at Lessor's option in tanks furnished by Lessor at the well or to Lessor's credit in any pipeline connected therewith. In the event Lessor does not furnish tanks for such royalty oil and no pipe line is connected with the well, Lessee may sell Lessor's such oil at the best market price obtainable and pay Lessor the price received f.o.b. the leased property, less any severance, excise, or production tax imposed thereon. Lessee shall have the right to inject gas, water, brine or other fluids into sub-surface strata, and no royalties shall be due or computed on any gas or component thereof produced by Lessee and injected into sub-surface stratum or strata through a well or wells located either on the land or on a pooled unit containing all or a part of the land.

7. The Lessee shall be responsible for all surface damages of Lessor caused by Lessee's operations.

8. All provisions hereof shall extend to and bind the successors and assigns (in whole or in part) of Lessor and Lessee; but no change in the ownership of the land or any interest therein or change in the capacity or status of Lessor, whether resulting from sale, inheritance or otherwise, shall impose any additional burden on Lessee nor shall any change in ownership or in the status or capacity of Lessor impair the effectiveness of payments made to Lessor herein named unless the then record owner of said lease shall have been furnished, thirty (30) days before payment is due, with certified copy of recorded instrument or judgment evidencing such transfer, inheritance or sale or evidencing such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon the land and be subrogated thereto and have the right to apply to the repayment of Lessee any royalties accruing hereunder. If Lessor owns less than the entire undivided interest in all or any portion of the lands or mineral rights relating thereto (whether such interest is herein specified or not) royalties and other payments as to the land in which an interest is outstanding in others shall be reduced proportionately to the interest of the Lessor therein; and all outstanding royalty rights shall be deducted from the royalties herein provided for.

10. Lessee shall have the right to purchase a lease or leases from others to protect its leasehold rights and shall not thereby be held to have disputed Lessor's title; and in the event Lessor's title or an interest therein is claimed by others, including other Lessors, Lessee shall have the right to withhold payment of royalties or to deposit such royalties in the registry of the Court until final determination of Lessor's rights.

11. This instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this lease.

12. In the event the Lessor at any time considers that operations are not being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee shall have sixty (60) days after receipt of such notice in which to commence any operations that are then legally necessary to comply with the requirements of the alleged breach, or to respond by stating in writing a reasonable cause why such breach, in Lessee's opinion, is not valid. The services of said notice and the lapse of sixty (60) days without Lessee meeting or commencing to meet the alleged breaches shall be a condition precedent to any action by Lessor for any cause hereunder. It is provided, however, that after production of oil, gas, sulphur, or other minerals has been obtained from the land covered hereby or land pooled therewith (or with any part thereof), this lease shall not be subject to forfeiture of loss, either in whole or in part, for failure to comply with the express or implied obligations of this contract except after final judicial ascertainment of such failure and Lessee has been given a period of sixty (60) days after such final judicial ascertainment to prevent such loss or forfeiture by complying with and discharging the obligations as to which Lessee has been judicially determined to be in default.

13. The requirements hereof shall be subject to any State and/or Federal law or order regulating operations on the land. It is further agreed that should Lessee be prevented from complying with any expressed or implied covenants of this lease, from conducting drilling or reworking operations thereon, or from producing oil, gas or other minerals therefrom by reason of scarcity or inability, after effort made in good faith, to obtain equipment or material or authority to use same, or by failure of carriers to transport or furnish facilities for transportation, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, or other cause beyond Lessee's control, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by an such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises and the time while Lessee is so prevented shall not be counted against Lessee.

14. Lessor shall be responsible for all severance, excise, production or other taxes levied against its royalty share of production provided for in Paragraph 6 above.

II

SUB-SURFACE SERVITUDE

a. In addition to the Oil, Gas and Mineral Lease granted, the party or parties who have signed this instrument [who is (are) referred to as "Lessor" in the foregoing Oil, Gas and Mineral Lease and is (are) now referred to as Grantor" (whether one or more) for the purpose of granting this Sub-Surface Servitude], in consideration of Ten and No/100 (\$10.00) Dollars and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (which consideration is paid to Grantor in addition to the consideration paid for the foregoing Oil, Gas and Mineral Lease); hereby grants to EnCana Oil & Gas (USA) Inc., [who is referred to as "Lessee" in the foregoing Oil, Gas and Mineral Lease and is now referred to as "Grantee" for the purpose of this Sub-Surface Servitude]; a Sub-Surface Right-of-Way, Servitude and Easement across the lot leased in the foregoing Oil, Gas and Mineral Lease, for the purpose of drilling, operating, producing, reworking and maintaining a directional or sidetrack well or wells from a surface location situated off of said lot, to such bottom hole location as Grantee may deem appropriate.

b. Notwithstanding anything herein contained to the contrary, this Sub-Surface Servitude shall for all purposes hereof, be considered as a separate and independent contract between each undersigned Grantor, and Grantee, covering and affecting the property hereinafter described beneath such Grantor's signature, with the same effect as if each of said Grantors had executed a separate servitude thereon, on the same terms and provisions embodied herein.

c. Grantee will indemnify and hold Grantor harmless from any and all damages to Grantor's property caused by the use of this Sub-Surface Servitude and will protect and hold Grantor harmless against any and all claims or demands by third parties arising out of or resulting from Grantee's use of the Sub-Surface Servitude herein granted.

d. The rights granted in this Sub-Surface Servitude will remain in full force and effect for so long as Grantee may continue to use these rights, but in the event Grantee ceases to use the rights herein granted for two consecutive years, this Sub-Surface Servitude will terminate.

It is specifically understood by the parties hereto and it is their intention that the rights granted in the foregoing Oil, Gas and Mineral Lease and the rights granted in this Sub-Surface Servitude shall be several and that the servitude herein provided for shall survive the Oil, Gas and Mineral Lease, in the event said Oil, Gas and Mineral Lease should terminate.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

IN WITNESS WHEREOF, this Oil, Gas and Mineral Lease and Sub-Surface Servitude is effective as of the date first above written, regardless of the date of execution.

IN WITNESS WHEREOF, this Oil, Gas and Mineral Lease and Sub-Surface Servitude is executed this 4th day of August, 2010.

This Agreement may be executed in multiple originals and may also be executed in as many counterparts as may be deemed necessary and once executed, these counterparts shall have the same effect as if the parties had executed the same Agreement. Lessee or its representative is authorized to detach the signature and acknowledgment page(s) from any one or more of the counterparts and to re-attach same to a single counterpart for the purposes of recording same in the Conveyance Records of Bossier Parish, Louisiana.

WITNESSES:

Jake Borill

Printed Name: Jake Borill

Matthew D. Cormier

Printed Name: Matthew D. Cormier

Jake Borill

Printed Name: Jake Borill

Matthew D. Cormier

Printed Name: Matthew D. Cormier

Brian Craig Hernandez
BRIAN CRAIG HERNANDEZ

Lina Westerling Hernandez
LINA WESTERLING HERNANDEZ,
WHO JOINS HEREIN TO ACKNOWLEDGE THE
SEPARATE PROPERTY OF HER SPOUSE,
BRIAN CRAIG HERNANDEZ

Address: 5760 GOLD CREST DRIVE

BOSSIER CITY, LA 71112
Description of property leased:

LOT 3, GOLDEN MEADOWS SUBDIVISION - UNIT 19

Depository: Mail Direct to Lessor at address above

STATE OF LOUISIANA

PARISH OF LAFAYETTE

Before me, the undersigned Notary Public, on this day personally appeared JAKE BORILL who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument and that the same was signed by BRIAN CRAIG HERNANDEZ and LINA WESTERLING HERNANDEZ (Lessor, as above mentioned) in his presence and in the presence of the other subscribing witness(es).

Jake Borill
JAKE BORILL

August 4th, 2010.
SWORN TO AND SUBSCRIBED before me on July 4th, 2010.

Gerald Knight
NOTARY PUBLIC

Print Name: GERALD KNIGHT

Notary No. 40518

My Commission Expires: AT DEATH

336



EXHIBIT "A"

"GOLDEN MEADOWS SUBDIVISION – UNIT NO. 19"

That certain tract or parcel of land known as "Golden Meadows Subdivision – Unit No. 19" situated in the Southwest Quarter (SW/4) of Section 19, Township 17 North, Range 12 West (Sec. 19, T17N-R12W), Bossier Parish, Louisiana, being further identified on that certain Plat of Survey recorded August 21, 2003, in Conveyance Book 1207, Page 479, under Entry No. 784137 of the records of the office of the Clerk of Court for Bossier Parish, Louisiana.

Lessee shall conduct no surface operations on the lands leased herein without the written permission of Lessor, however, Lessee may maintain the lease in force and effect by any other means provided herein, including but not limited to unitization and/or directional drilling.

Lessor and Lessee acknowledge that for the consideration tendered herein they agree to execute, if applicable, any instruments to clarify the mineral interest, property description and/or acreage content of the lands leased herein.

Page 3